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Sent: Tuesday, November 28, 2017 2:01 PM

Subject: For Your Information – INFO807: Conversion CNVPO107 has been eliminated from Conversion Activities

Dear 2018 Release Department Liaison,

In order to ease the transition to FI\$Cal and potentially allow for departments to begin transacting sooner after go live, the decision has been made to eliminate the PO107 conversion of open Purchase Order (PO) balances into FI\$Cal. Instead, departments shall follow the instructions provided below.

State Contract and Procurement Registration System (SCPRS) Reporting:

Departments shall ensure these Contracts or Purchase Orders have been reported to SCPRS as required per DGS policy.

- Departments with questions regarding SCPRS reporting requirements shall contact DGS at PAMS@dgs.ca.gov.

Track Remaining Encumbrance Balances:

Instead of converting these PO's, Departments shall:

- Manually track the encumbrance balances outside of FI\$Cal to ensure over payments do not occur, and for year-end reporting purposes.
 - CalSTARS Departments can use the G.2 report to create a database to track balances and update as payments are being made.

Payment:

Starting July 1, 2018, Departments shall complete the following actions in FI\$Cal to ensure timely payment:

- Generate a voucher in FI\$Cal for direct payment to the Supplier, and manually enter the associated accounting information in the voucher's distribution lines.
- Attach a copy of the authorizing procurement/contract documents and invoice to the voucher prior to routing to State Controller Office (SCO) for approval.
 - Add a comment to the voucher header explaining, "*This voucher is associated to a prior year open PO. FI\$Cal has eliminated the prior year PO conversion. Necessary documentation is attached.*" The comment will help the auditor understand the situation and minimize the likelihood of the voucher being denied.

Amendments and New Encumbrances/POs:

Starting July 1, 2018, Departments shall complete the following actions in FI\$Cal to track new encumbrances:

- Create a new PO in FI\$Cal if there are any amendments to procurement/contract documents for prior FYs.

- If there is no amendment, continue to track the balances of the procurement/contract documents for prior FYs outside of FI\$Cal until fully liquidated or funds revert.
- Create a new PO in FI\$Cal for all new Encumbrances/POs.

Year-End Reporting:

At FY 18/19 year-end, departments shall complete the following actions in FI\$Cal:

- Utilize encumbrance journal entries in period 998 based on those remaining balances being tracked outside of FI\$Cal, ensuring these balances are correctly reflected on the financial statements. This practice will need to continue until the balance is fully liquidated or the funds have reverted.

Other Related Actions for FI\$Cal Go Live:

Departments shall continue to take the following actions:

- Collect STD204s and enter Suppliers who are not currently in FI\$Cal so Suppliers are active to select in the PO104 Contract conversion and to ensure they are paid in a prompt manner.
- Work with FI\$Cal on the PO104 Procurement Contract conversion of active Procurement Contracts.
- Contact your FI\$Cal Readiness Coordinator with questions.

If you have any questions, please contact the Change Management Office at fiscal.cmo@fiscal.ca.gov.



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